

Washington State Auditor's Office
Report on Financial Statements Audit

City of Mukilteo
Snohomish County

Audit Period
January 1, 2001 through December 31, 2001

Report No. 64122

Issue Date
November 22, 2002



Washington
State Auditor
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November 22, 2002

Mayor and City Council
City of Mukilteo
Mukilteo, Washington

Report on Financial Statements

Please find attached our report on the City of Mukilteo's financial statements.

We are issuing this report now in order to provide information on the City's financial condition.

In addition to this work, we look at other areas of our audit clients' operations for compliance with state laws and regulations. The results of that review will be included in our regular audit report, which will be issued separately.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag".

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Snohomish County
January 1, 2001 through December 31, 2001**

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Independent Auditor's Report on Financial Statements

**City of Mukilteo
Snohomish County
January 1, 2001 through December 31, 2001**

Mayor and City Council
City of Mukilteo
Mukilteo, Washington

We have audited the accompanying general purpose financial statements of the City of Mukilteo, Snohomish County, Washington, as of and for the year ended December 31, 2001. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Mukilteo, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of State and Local Financial Assistance is presented for purposes of additional analysis. This schedule is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole. As discussed in Note 1 to the financial statements, the City was required to adopt Governmental Accounting Standards Board Statement 33, Accounting and Financial Reporting for Nonexchange Transactions, effective, January 1, 2001.



BRIAN SONNTAG, CGFM
STATE AUDITOR

September 27, 2002

General Purpose Financial Statements

**City of Mukilteo
Snohomish County
January 1, 2001 through December 31, 2001**

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet – All Fund Types and Account Groups – 2001
Combined Statement of Revenues, Expenditures and Changes in Fund Balance – All
Governmental Fund Types and Expendable Trust Funds – 2001
Combined Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – Governmental Fund Types – 2001
Combined Statement of Revenues, Expenses and Changes in Fund Equity – All
Proprietary Fund Types – 2001
Combined Statement of Cash Flows – All Proprietary Fund Types – 2001
Notes to Financial Statements – 2001

ADDITIONAL INFORMATION

Schedule of State and Local Assistance – 2001